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E.O. 12958: N/A

TAGS: PREL PGOV MARR ECON KPAO KS US

SUBJECT: SEOUL - PRESS BULLETIN; September 4, 2009

TOP HEADLINES

Chosun Ilbo, JoongAng Ilbo, All TVs "Critic" of President Lee Named Prime Minister; Former Seoul National University President Chung Un-chan to Lead Cabinet

Dong-a Ilbo, Hankook Ilbo Chung Un-chan and 6 Ministers are Named in a Major Cabinet Shake-up Aimed at Promoting President Lee's Centrist Pragmatism and Enhancing Policy Coordination Inside Ruling Camp

Hankyoreh Shinmun

Prime Minister-Designate Chung Un-chan: "I Have No Differences with President Lee on the Economy," a Departure from His Previous Criticism of Lee's Policies, Including Tax Cuts and Grand Canal Project

Segye Ilbo, Seoul Shinmun Liberal Economist Named Prime Minister

DOMESTIC DEVELOPMENTS

According to the Bank of Korea, the ROK's gross national income, which measures people's purchasing power, surged 5.6 percent in the second quarter over the previous three months. It was the highest quarterly growth in more than 21 years. (All)

INTERNATIONAL NEWS

Japan's incoming Prime Minister Yukio Hatoyama, in a Sept. 3 telephone conversation with President Barack Obama, reaffirmed that the U.S.-Japan alliance is the foundation of Japanese diplomacy. (All)

According to the State Department, Stephen Bosworth, the U.S. Special Representative for North Korea Policy, will visit Beijing, Seoul and Tokyo from Sept. 3-8 to discuss ways to bring North Korea back to the Six-Party Talks and to denuclearize the communist state.

State Department Spokesman Ian Kelly was quoted: "Bosworth has no plans to travel to Pyongyang or to meet with North Korean officials (during this visit.)" (Hankyoreh, Segye)

MEDIA ANALYSIS

-N. Korea

State-run Yonhap News Agency carried a report quoting North Korea's official Korean Central News Agency as claiming this morning that North Korea has entered the final phase of uranium enrichment. The North's state media was further quoted: "We are also finalizing the reprocessing of spent fuel rods and the extracted plutonium is being weaponized."

YTN, a 24-hour news channel and subsidiary of Yonhap News Agency, observed that this North Korean claim departs from its recent conciliatory offensive and can be viewed as Pyongyang's expression of discontent with Washington's lackadaisical attitude toward its calls for bilateral talks. The U.S. has insisted that bilateral talks with North Korea are possible only within the Six-Party Talks framework.

-Japan

All ROK media gave attention to yesterday's telephone conversation between President Barack Obama and Japan's incoming Prime Minister Yukio Hatoyama, in which the Japanese premier-in-waiting reaffirmed

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that the ${\tt U.S.-Japan}$ alliance is the foundation of Japanese diplomacy.

Conservative Chosun Ilbo's sub-head read: "Despite Hatoyama's Reassurance, U.S. Wariness and Uneasiness Spread Ahead of the Launch of a Democratic Party Administration in Japan that Calls for More Equal Ties with Washington." Moderate Hankook Ilbo wrote in the headline: "Subtle Tension Persists despite Hatoyama's Efforts to Dispel Concerns about His Anti-U.S. Views."

TOKOLA